

1 David N. Chandler, Sr. SBN 60780  
David N. Chandler, Jr. SBN 235427  
2 DAVID N. CHANDLER, p.c.  
1747 Fourth Street  
3 Santa Rosa, CA 95404  
Telephone: (707) 528-4331

4 Attorneys for Debtor

6 UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

7 IN RE: Case No. 10-12153

8 PROWEST MEDIA CORPORATION, CHAPTER 11

9  
10 DEBTOR. /

NOTICE OF MODIFICATION TO DEBTOR'S  
PLAN OF REORGANIZATION AND  
COMPROMISE OF CONTROVERSY AND  
OPPORTUNITY TO BE HEARD THEREON

11 Date: January 14, 2011

12 Time: 9:00 a.m.

13 Place: 99 South E St.  
Santa Rosa, CA

14 TO: ALL PARTIES IN INTEREST:

15 PLEASE TAKE NOTICE that on January 14, 2011, at 9:00 a.m., or as  
16 soon thereafter as the matter can be heard, in the courtroom of the  
17 Honorable Alan Jaroslovsky, Judge, United States Bankruptcy Court, 99  
18 South E Street, Santa Rosa, CA 95404, a hearing will be held on the  
19 confirmation of the Debtor's Plan of Reorganization, as modified as  
20 described below. This modification includes a release of all claims  
21 held by the Estate against Jim French Studios, Inc. ("JFS") and related  
22 parties.

23  
24 SUMMARY OF THE DISPUTE AND THE RELIEF SOUGHT

25 JFS asserts a secured claim against the Debtor Prowest in the  
26 amount of \$1,357,739.95, and further asserts that this claim is  
27 secured by all assets of the Debtor, including all of its intellectual  
28 property. Prowest disputes the amount of the claim, disputes the

1 extent of the security interest of JFS, and asserts set offs and  
2 counterclaims. The Plan of Reorganization, dated July 7, 2010, filed  
3 by Prowest reserves all litigation claims held by Prowest against JFS,  
4 provides that the Court will fix the allowed amount of the secured  
5 claim pursuant to Bankruptcy Code Section 506, provides that the  
6 balance of the claim of JFS will be treated as an unsecured claim, and  
7 further provides that JFS will receive periodic payments if and only  
8 if its claim is allowed by the Court.

9       On December 19, 2010, the Debtor Prowest and JFS reached a  
10 settlement of their dispute. The principal terms of the settlement  
11 are that JFS will be paid \$500,000 in 20 installments of \$25,000  
12 apiece in full satisfaction of its claim, that JFS will have a  
13 stipulated judgement to recover its collateral and obtain other relief  
14 in the event of a default, that the Debtor will release all claims  
15 against JFS, and that these settlement terms will be incorporated into  
16 a modification of the Debtor's Plan of Reorganization, which will be  
17 supported by JFS. This is a summary only. To obtain a copy of the  
18 actual "Settlement Agreement and General Release" between the parties,  
19 please contact the undersigned counsel for the Debtor.

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#### PROCEDURE FOR OBJECTIONS

22       NOTICE IS FURTHER GIVEN that any Creditor or other party in  
23 interest who returned a ballot accepting the Debtor's 7/7/10 Plan will  
24 be deemed to accept this modification unless that Creditor notifies  
25 the undersigned counsel for the Debtor in writing that it wishes to  
26 change its vote prior to January 12, 2011. Any other written  
27 objection to this requested relief should be filed with the Clerk of  
28 the Court no later than January 12, 2011 and served upon (1) the

1 undersigned attorney for the Debtor, (2) John H. MacConaghy, Esq.,  
2 MacConaghy & Barnier, PLC, 645 First St. West., Sonoma, CA 95476, and  
3 (3) the Office of the United States Trustee, 235 Pine Street, 7<sup>th</sup>  
4 Floor, San Francisco, CA 94104. Consult the Court's website at  
5 [www.canb.uscourts.gov](http://www.canb.uscourts.gov) for instructions concerning the electronic  
6 filing of documents.

7

8 Dated: 1/6/11

DAVID N. CHANDLER, p.c.

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By: /s/ David N. Chandler

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DAVID N. CHANDLER,  
Attorney for Debtor

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CERTIFICATE OF SERVICE

I am a citizen of the United States, and over the age of eighteen (18) years, employed at 1747 Fourth Street, Santa Rosa, California, and not a party to the within action.

On January 6, 2011, I served a copy of the following documents:  
NOTICE OF MODIFICATION TO DEBTOR'S PLAN OF REORGANIZATION AND  
COMPROMISE OF CONTROVERSY AND OPPORTUNITY TO BE HEARD THEREON on the  
interested parties in said action by placing a true copy thereof  
enclosed in a sealed envelope with postage thereon fully prepaid in  
the United States post office mail box at Santa Rosa, California,  
addressed as follows:

(SEE ATTACHED)

I, JANE F. KAMAS, declare under penalty of perjury that the foregoing is true and correct.

Executed on January 6, 2011, Santa Rosa, California.

/s/ Jane F. Kamas  
JANE F. KAMAS

Label Matrix for local noticing  
0971-1  
Case 10-12153  
Northern District of California  
Santa Rosa  
Wed Jan 5 17:55:47 PST 2011

Athletic Model Guild LLC  
3020 El Cerrito Plaza Ste 114  
El Cerrito, CA 94530-4011

Blue Cross of California  
P.O. Box 4194  
Woodland Hills, CA 91365-4194

CA Employment Development Dept.  
Bankruptcy Group MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280-0001

California Exotic Novelties, LLC  
14235 Ramona Ave.  
Chino, CA 91710-5751

Employment Development Department  
Bankruptcy Group MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280-0001

FedEx Customer Information Services  
FedEx Express/FedEx Ground  
Attn: Revenue Recovery/Bankruptcy  
3965 Airways Blvd., Module G, 3rd Floor  
Memphis, TN 38116-5017

Franchise Tax Board  
Bankruptcy Section MS A340  
P.O. Box 2952  
Sacramento, CA 95812-2952

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

Jim French Studios  
8001 Woodrow Wilson Dr.  
Los Angeles, CA 90046-1116

A Bright Printing  
346 9th St.  
San Francisco, CA 94103-3809

BAOL, sro  
Gorkeho 11  
SK-81103  
Bratislava, SLOVAKIA

Breene Graphics  
9510 Vassar Ave.  
Chatsworth, CA 91311-4141

CEN, LLC  
P.O. Box 5108  
Chino, CA 91708-5108

David N. Chandler  
Law Offices of David N. Chandler  
1747 4th St.  
Santa Rosa, CA 95404-3601

Entruphema, Inc. (Sureflix)  
229 Yonge St., Ste. 408  
Toronto, ON M5B 1N9  
CANADA

R. James Fisher  
2 Padre Parkway, Suite 300  
Rohnert Park, CA 94928-2116

FutureWorks  
c/o Michael V. Mahoney  
595 Market St., Ste. 1350  
San Francisco, CA 94105-2825

Incubus Entertainment  
512 Jersey St.  
San Francisco, CA 94114-3613

Jim French Studios  
c/o John H. MacConaghy  
MacConaghy and Barnier PLC  
645 First St. West  
Sonoma, CA 95476-7040

A-3 Mobile, Inc.  
1630 Welton St., Ste. 400  
Denver, CO 80202-4239

Bay Area Video Coalition  
2727 Mariposa St., 2nd Fl.  
San Francisco, CA 94110-1401

Brixham Manufacturing, Ltd.  
Unit 1, Brixham Enterprise Estate  
Rea Barn Road  
Brixham, TQ5 9DF  
United Kingdom

California Exotic Novelties, LLC  
c/o Labowe, Labowe & Hoffman, LLP  
1631 W. Beverly Blvd.  
2nd Floor  
Los Angeles, CA 90026-5710

EDD  
State of California  
Bankruptcy Unit - MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280-0001

FedEx  
3965 Airways, Module G  
Memphis, TN 38116

Franchise Tax Board  
Bankruptcy Group  
P.O. Box 2952  
Sacramento, CA 95812-2952

Timothy Hoffman, Trustee  
c/o Ray H. Olmstead  
P.O. Box 15031  
Santa Rosa, CA 95402-7031

Internap, LLC  
250 Williams St.  
Atlanta, GA 30303-1032

Jim French Studios, Inc.  
c/o MacConaghy & Barnier, PLC  
645 First St. West  
Sonoma, CA 95476-7040

John Rutherford  
P.O. Box 1550  
Boyes Hot Springs, CA 95416-1550

Richard W. Labowe  
Labowe, Labowe and Hoffman  
1631 W Beverly Blvd. 2nd Fl.  
Los Angeles, CA 90026-5710

Law Offices of R. James Fisher  
2 Padre Pkwy., Ste. 300  
Rohnert Park, CA 94928-2116

Lockerroom Marketing, Ltd.  
694 Derwent Way  
Delta, BC V3M 5P8  
CANADA

John H. MacConaghy  
MacConaghy and Barnier  
645 1st St. W #D  
Sonoma, CA 95476-7044

Mansion Productions, Inc.  
P.O. Box 452254  
Los Angeles, CA 90045-8529

Office of the U.S. Trustee / SR  
235 Pine Street  
Suite 700  
San Francisco, CA 94104-2736

Ray H. Olmstead  
Law Offices of Ray H. Olmstead  
P.O. Box 15031  
Santa Rosa, CA 95402-7031

Palace Press  
3160 Kerner Blvd., Unit 108  
San Rafael, CA 94901-5454

Paladin Video, Inc.  
6750 Boulder Hwy.  
Las Vegas, NV 89122-7467

Peter Buchanan  
c/o Richard Francheschini  
Ragghiati Freistas, LLP  
874 4th St.  
San Rafael, CA 94901-3246

Prowest Media Corporation  
P.O. Box 1550  
Boyes Hot Springs, CA 95416-1550

Rimer & Matthewson, LLP  
One Embarcadero Center, Ste. 500  
San Francisco, CA 94111-3610

Rob Casale  
aka Martin Kramer  
27841 Persimmon, #44  
Mission Viejo, CA 92691-6657

Russell F. Rowen  
Lippenberger Thompson, et al.  
201 Tamal Vista Blvd.  
Corte Madera, CA 94925-1190

Sandra Stout  
850 West Napa St.  
Sonoma, CA 95476-6415

Tom Settle  
P.O. Box 1550  
Boyes Hot Springs, CA 95416-1550

Stan Loeb  
6750 Boulder Hwy.  
Las Vegas, NV 89122-7467

State Board of Equalization  
Special Operations Branch, MIC:55  
P.O. Box 942879  
Sacramento, CA 94279-0055

Stone & Stone, LLP  
15281 Ventura Blvd., Ste. 245  
Encino, CA 91403

TLA Entertainment, Inc.  
234 Market St., 5th Fl.  
Philadelphia, PA 19106-2816

Thomas Settle  
P.O. Box 1550  
Boyes Hot Springs, CA 95416-1550

Timothy Hoffman, Trustee  
(In re Rutherford; 10-12045)  
P.O. Box 1761  
Sebastopol, CA 95473-1761

Timothy Hoffman, Trustee  
(In re Settle; 10-12044)  
P.O. Box 1761  
Sebastopol, CA 95473-1761

Tom Settle  
John Rutherford  
P.O. Box 1550  
Boyes Hot Springs, CA 95416-1550

United Parcel Service  
c/o Receivable Management Services  
P.O. Box 4396  
Timonium, MD 21094-4396

VS International  
828 Chester St.  
Oakland, CA 94607-1924

Winthrop Properties, Inc.  
7 Bulfinch Pl., Ste. 500  
P.O. Box 9507  
Boston, MA 02114-9507

Zubb Entertainment, Inc.  
3300 Cote-Vertu, Ste. 406  
Montreal, QC H4R 2B7  
CANADA

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

IRS	(d)IRS	End of Label Matrix	
P.O. Box 21126	P.O. Box 21126	Mailable recipients	58
Philadelphia, PA 19114	Philadelphia, PA 19114-0326	Bypassed recipients	0
		Total	58